

E-file: March 29, 2010

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Attorneys for Debtors and
 Debtors in Possession

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
"Rhodes Homes," et al.,¹
Debtors.

Case No.: BK-S-09-14814-LBR
 (Jointly Administered)

Chapter 11

Affects:

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

| | |
|-------------------------------------|---------------------------------|
| <input checked="" type="checkbox"/> | All Debtors |
| <input type="checkbox"/> | Affects the following Debtor(s) |

NOTICE TO SELL NON-CORE ASSETS (2 CATERPILLARS)

To (a) the Office of the United States Trustee, (b) counsel to the Agent for the First Lien Lenders, (c) counsel to the Agent for the Second Lien Lenders, (d) counsel to the Unsecured Creditors' Committee, (e) counsel to the First Lien Steering Committee; and (f) all parties holding (or, to the Debtors' knowledge, asserting) liens on, or other interests in, the Non-Core Assets (defined below) that is the subject of the Proposed Transaction (defined below) (collectively, the "Interested Parties"):

PLEASE TAKE NOTICE THAT the above-captioned debtors and debtors in possession (the "Debtors") are proposing to sell (the "Proposed Transaction") two non-core assets (the "Non-Core Asset") free and clear of liens, claims and encumbrances, pursuant to the *Order Establishing Procedures to Sell Non-Core Assets* [Docket Number 462] (the "Order"). A further description of the Non-Core Assets and the terms of the sale is set forth on Attachment A hereto.

As required pursuant to the Order and the Non-Core Assets Sale Procedure, the Debtors have received approval to sell the Non-Core Assets from Winchester Carlisle Partners, the financial advisors to the First Lien Steering Committee.

PLEASE TAKE FURTHER NOTICE THAT pursuant to the Order and the Non-Core Assets Sale Procedure, the Debtors may consummate a Proposed Transaction on fewer than 10 days notice to you if the Debtors obtain written consent to the Proposed Transaction from counsel to the Agent for the First Lien Lenders and counsel to the Agent for the Second Lien Lenders. The Debtors have obtained written consent from counsel to the Agent for the First Lien

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Lenders and counsel to the Agent for the Second Lien Lenders and, accordingly, the Debtors intend to proceed immediately to consummate the sale.

DATED this 23rd day of March, 2010.

PACHULSKI STANG ZIEHL & JONES
LLP

/s/ Shirley S. Cho, Esq.
Shirley S. Cho, Esq. (CA Bar No. 192616)
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/s/ Zachariah Larson, Esq.
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702/382-1170

Attorneys for Debtors and Debtors in
Possession

ATTACHMENT A

Attachment A-1
Information Regarding Non-Core Asset Sale Transaction

| Questions | | Responses |
|------------|---|--------------------------|
| Question 1 | Date | 04/16/10 |
| | Make / Model | CAT 14H |
| | Seral # | ASE01717 |
| | Location | Golden Valley, AZ |
| Question 2 | Purchaser | Financial Federal |
| | Relationship to Debtor | None |
| Question 3 | Current Lien holder | None |
| Question 4 | Copy of Contract | Attachment 1 |
| | Summary of Transaction | Sales price of \$165,000 |
| Question 5 | Contracts and Leases to Transfer from Seller to Purchaser | None |
| Question 6 | Costs to be Charged Against the Sale Proceeds | None |
| Question 7 | Copies of Appraisals | See Attachment 2 |

Attachment A-2
Information Regarding Non-Core Asset Sale Transaction

| Questions | | Responses |
|------------|---|---|
| Question 1 | Date | 04/16/10 |
| | Make / Model | CAT 16G |
| | Seral # | 93U02987 |
| | Location | Golden Valley, AZ |
| Question 2 | Purchaser | Financial Federal |
| | Relationship to Debtor | None |
| Question 3 | Current Lien holder | None |
| Question 4 | Copy of Contract Summary of Transaction | Attachment 1 Sales price of \$40,000 |
| Question 5 | Contracts and Leases to Transfer from Seller to Purchaser | None |
| Question 6 | Costs to be Charged Against the Sale Proceeds | None |
| Question 7 | Copies of Appraisals | See Attachment 2 |

ATTACHMENT 1



Pinnacle Grading
313 S. Aztec Rd.
Golden Valley, AZ 86413

Date: 4/16/2010
Invoice: 4600

Bill To: Financial Federal
17320 Red Hill
Suite 250
Irvine, CA 92614

| Quantity | Description | Amount |
|----------|-----------------|--------------|
| 1 | 14H-ASE01717 | \$205,000.00 |
| | Model Year 2006 | |
| 1 | 16G-93U02987 | |
| | Model Year 1986 | |

Total \$205,000.00

All equipment sold strictly as-is, where-is, no warranties expressed or implied. Buyer is Responsible for all transportation cost from Golden Valley, AZ and assumes all risk of Loss upon payment. Upon verification of funds, equipment will be released within one (1) Business day and must be removed from the yard within 10 days. It is understood That purchaser assumes all risk and liability for, and shall hold Pinnacle Grading Harmless from all damages for injuries to persons and property arising out of the use, Possession or transportation of the equipment. Payment due in full before buyer taking Possession.

I (we) have read the contract and agree with its contents.

Buyer: _____ Date: ____/____/____

Seller: _____ Date: ____/____/____

Thank You for Your Business!

ATTACHMENT 2

PINNACLE GRADING, LLC

APPRAISAL

| <u>EQUIP #</u> | <u>CODE #</u> | <u>DESCRIPTION</u> | <u>SERIAL #</u> | <u>NOTES</u> | <u>AV</u> | <u>OLV</u> | <u>FMV</u> |
|-------------------|---------------|---|-----------------|--------------|-----------|------------|------------|
| 3EE-GEE 2 | 290-002 | 2000 GRADE MASTER BSM18 BEE GEE SCRAPER, s/n 18990005: TOW HITCH, HYDRAULIC TRANSPORT WHEELS | 5 | | \$12,000 | \$14,000 | \$17,000✓ |
| 631D Waterpull | 350-001 | 1978 CATERPILLAR 631D 8,000 GALLON DROP TANK WATER WAGON, s/n 24W02209: RETARDER, MEGA TANK SYSTEM, SIDE & REAR SPRAY, HOSE REEL, CANOPY, 37.25 X 35 TIRES | 24W02209 | | \$35,000 | \$45,000 | \$60,000 |
| 351-028 WP | 360-001 | 1978 CATERPILLAR 651B 8,000 GALLON SCRAPER / WATER WAGON, s/n 67K00696: RETARDER, SPECIAL APPLICATION BOWL, CUSTOMBUILT WATER TANK, SIDE & REAR SPRAY, CANOPY, 37.25 X 39 TIRES | 67K00811 | | \$10,000 | \$15,000 | \$22,500 |
| 345 Excavator | 410-001 | 2000 CATERPILLAR 345BL II HYDRAULIC EXCAVATOR, s/n AGS00386: 9' 6" STICK, 72" BUCKET, SIDE CUTTERS, CAB, A/C, 36" TBG | AGS00386 | | \$65,000 | \$75,000 | \$85,000 |
| 16G-001 | 510-010 | 1989 CATERPILLAR 16G MOTOR GRADER, s/n 93U02987: 16' MOLDBOARD, ACCUMULATORS, RIPPER, CAB, A/C, PUSH BLOCK, 23.5 X 25 TIRES | 93U02987 | NOT VIEWED | \$70,000 | \$80,000 | \$90,000 |
| 14H-002 | 520-002 | 2006 CATERPILLAR 14H MOTOR GRADER, s/n CAT0014HPASE01717: 16' MOLDBOARD, ACCUMULATORS, RIPPER, TRIMBLE RS400 LASER CONTROL SYSTEM, LO PRO CAB, A/C, PUSH BLOCK, 20.5R25 TIRES, GPS SYSTEM | ASE01717 | | \$270,000 | \$290,000 | \$330,000 |

The attached cover letter is an integral part of this Appraisal Report

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STEPHEN PASSY & ASSOCIATES, INC.

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CERTIFICATE OF SERVICE

1. On the 23rd day of March 2010, I served the following document(s):

a. **NOTICE TO SELL NON-CORE ASSETS (2 CATERPILLARS)**

2. I served the above-named document(s) by the following means to the persons as listed below:

(check all that apply)

☐ a. **ECF System** *(You must attach the "Notice of Electronic Filing", or list all persons and addresses and attach additional paper if necessary)*

☐ b. **United States mail, postage fully prepaid**
(List persons and addresses. Attach additional paper if necessary)

☐ c. **Personal Service** *(List persons and addresses. Attach additional paper if necessary)*

I personally delivered the document(s) to the persons at these addresses:

☐ For a party represented by an attorney, delivery was made by handing the document(s) at the attorney's office with a clerk or other person in charge, or if no one is in charge by leaving the document(s) in a conspicuous place in the office.

☐ For a party, delivery was made by handing the document(s) to the party or by leaving the document(s) at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

☒ d. **By direct email (as opposed to through the ECF System)**
(List persons and email addresses. Attach additional paper if necessary)

Augie Landis augie.landis@usdoj.gov
Philip C. Dublin pdublin@akingump.com
J. Thomas Beckett tbeckett@parsonsbehle.com
Ramon Naguiat ramon.naguiat@skadden.com
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Paul Huygens phuygens@provinceadvisors.com
Scott Scarbrough sscarbrough@pinnaclegrading.net
Jan Gyllstrom jgyllstrom@rhodeshomes.com

I declare under penalty of perjury that the foregoing is true and correct.

Signed on (date): March 26, 2010

Werner Disse
(Name of Declarant)

/s/Werner Disse
(Signature of Declarant)

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I personally delivered the document(s) to the persons at these addresses:

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☐ For a party, delivery was made by handing the document(s) to the party or by leaving the document(s) at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

☒ d. **By direct email (as opposed to through the ECF System)**
(List persons and email addresses. Attach additional paper if necessary)

Counsel for Caterpillar

Nishat Baig nbaig@swlaw.com

I declare under penalty of perjury that the foregoing is true and correct.

Signed on (date): March 29, 2010

Shirley S. Cho

(Name of Declarant)

/s/ Shirley S. Cho

(Signature of Declarant)

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